

VENTAS INC
Form 10-Q
October 28, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2016

OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO

Commission file number: 1-10989

Ventas, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware 61-1055020
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)
353 N. Clark Street, Suite 3300
Chicago, Illinois
(Address of Principal Executive Offices)
60654
(Zip Code)
(877) 483-6827
(Registrant's Telephone Number, Including Area Code)
Not Applicable

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Non-accelerated filer ☐
Large accelerated filer ☒ Accelerated filer ☐ (Do not check if a Smaller reporting company ☐
smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock:	Outstanding at October 26, 2016:
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Common Stock, \$0.25 par value	354,109,643
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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VENTAS, INC.

CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except per share amounts)

	September 30, 2016	December 31, 2015
Assets		
Real estate investments:		
Land and improvements	\$2,089,329	\$2,056,428
Buildings and improvements	21,551,049	20,309,599
Construction in progress	192,848	92,005
Acquired lease intangibles	1,522,708	1,344,422
	25,355,934	23,802,454
Accumulated depreciation and amortization	(4,754,532)	(4,177,234)
Net real estate property	20,601,402	19,625,220
Secured loans receivable and investments, net	821,663	857,112
Investments in unconsolidated real estate entities	97,814	95,707
Net real estate investments	21,520,879	20,578,039
Cash and cash equivalents	89,279	53,023
Escrow deposits and restricted cash	89,521	77,896
Goodwill	1,043,075	1,047,497
Assets held for sale	195,252	93,060
Other assets	488,258	412,403
Total assets	\$23,426,264	\$22,261,918
Liabilities and equity		
Liabilities:		
Senior notes payable and other debt	\$11,252,327	\$11,206,996
Accrued interest	70,790	80,864
Accounts payable and other liabilities	930,103	779,380
Liabilities related to assets held for sale	77,608	34,340
Deferred income taxes	315,713	338,382
Total liabilities	12,646,541	12,439,962
Redeemable OP unitholder and noncontrolling interests	209,278	196,529
Commitments and contingencies		
Equity:		
Ventas stockholders' equity:		
Preferred stock, \$1.00 par value; 10,000 shares authorized, unissued	—	—
Common stock, \$0.25 par value; 600,000 shares authorized, 353,793 and 334,386 shares issued at September 30, 2016 and December 31, 2015, respectively	88,431	83,579
Capital in excess of par value	12,870,566	11,602,838
Accumulated other comprehensive loss	(49,614)	(7,565)
Retained earnings (deficit)	(2,420,766)	(2,111,958)
Treasury stock, 1 and 44 shares at September 30, 2016 and December 31, 2015, respectively	(78)	(2,567)
Total Ventas stockholders' equity	10,488,539	9,564,327
Noncontrolling interest	81,906	61,100
Total equity	10,570,445	9,625,427
Total liabilities and equity	\$23,426,264	\$22,261,918

See accompanying notes.

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VENTAS, INC.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

(In thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues:				
Rental income:				
Triple-net leased	\$210,424	\$201,028	\$635,030	\$571,591
Office	158,273	142,755	446,496	420,287
	368,697	343,783	1,081,526	991,878
Resident fees and services	461,974	454,825	1,390,387	1,356,384
Office building and other services revenue	4,317	10,000	17,006	29,951
Income from loans and investments	31,566	18,924	78,098	66,192
Interest and other income	562	74	792	719
Total revenues	867,116	827,606		